

IN-81  
43.2.233

## Downsizing: Is There a "Right" Way?

Donald D. Tippet, The University of Alabama in Huntsville,  
Rhonda Childress, Marshall Space Flight Center, and  
Melissa G. Sweitzer, ENI Technologies, Inc.

**Abstract.** In response to the pressures of surviving in a competitive global market, many companies are turning to downsizing, rightsizing, restructuring, reduction-in-force, and/or business process re-engineering, among others. Regardless of the terminology used, an inevitable result is a loss of jobs. Companies fail to grasp the profound ramifications of downsizing for both the people laid off and the organization and work force that remain after downsizing is complete. A search of the literature was conducted to ascertain what leading theorists and practitioners are saying about downsizing and the "right" way to go about it. This search culminated in the Nine Point Model for Downsizing (NPMD). The model is used to analyze a downsizing case study involving the December 1997 layoff of 19,000 employees by a leading manufacturer of image products.

### Introduction

Downsizing seems to be the trend of the nineties. Kodak, Levi-Strauss, Fruit of the Loom, and IBM are just a few of the many preeminent corporations that have laid-off large numbers of workers in recent years. No one is immune to downsizing. White-collar as well as blue-collar jobs are at risk. Many companies view laying off workers as a quick and convenient means to cut costs. However, research has shown that the majority of companies using downsizing for this purpose rarely achieve their desired results. For instance, a survey of downsizing companies by Watson Wyatt Worldwide showed that, after downsizing, only 46% met their expense-reduction goals, less than 33% met profit objectives, and only 21% increased return-on-investment. Similarly, an American Management Association study found that, after layoffs were performed, less than 50% of the firms increased profits, only 33% increased productivity, and that 66% of the previously downsized companies would downsize again within the next year (Nelson 1997).

The objective of this paper is to develop a model that presents the appropriate steps that should be taken before, during, and after downsizing in order

to ensure the process will go as smoothly as possible for those laid off, those who remain, and the organization in general.

### A Model for Downsizing

The many possible reasons for laying off workers might include global market conditions, technological advances, excessive overhead expenses, inefficiency, or profit/stock price considerations. However, downsizing, for whatever reason, is a painful process. The aftermath consists of a reduced workforce, survivors with increased workloads, and a new organizational culture to which the survivors must adapt. Most experts agree that some of the trauma associated with downsizing can be minimized if the appropriate steps are taken before, during, and after the implementation of the downsizing process (Demers 1996). This section will discuss nine key factors which leading theorists and practitioners are saying a company faced with the prospect of laying off workers should consider before approaching this unenviable task.

**Strategic Plan.** The decision to downsize should not be made haphazardly, nor should it be based solely upon a company's desire to quickly increase short-term profit. Before considering downsizing as a viable corporate alternative, a strategic plan, which encompasses the corporate vision, mission, and both short-term and long-term goals should be developed. If, after completing this homework, downsizing appears to be an appropriate and necessary step towards implementing the strategic plan, then the company can proceed.

A study conducted by the Commonwealth Fund on over 400 members of the Conference Board revealed the companies got better results if a strategic plan was developed *before* implementing downsizing (Cadorette, 1997). The supporting data shown in the table below illustrate that the proactive organization, which moves according to a carefully laid out plan, is much less likely to experience the negative side effects of downsizing.

Negative Impact Of Downsizing	Proactive Organization	Reactive Organization
Decreased Morale	46%	77%
Losing Wrong People	8%	38%

By considering strategic implications before implementing downsizing, a company can identify the processes and skills that are essential to its survival/success. A necessary step in the development of a strategic plan is to identify the areas where cutbacks would provide the most benefit. One company accomplished this by allowing persons familiar with the essential work processes to help consultants develop a detailed process flow that outlined costs associated with each task, personnel/skills required, time to perform tasks, and steps in the process (Wenzler, 1997). Another company performed a step-by-step analysis of how the work is performed in order to determine which groups were necessary, which could be improved, and which could be eliminated (Shugrue, 1997).

A carefully prepared strategic plan helps a company avoid incurring further expenses that result from poorly executed downsizing, which might require: (1) retraining the survivors in the necessary skills, (2) rehiring the laid off employees for more money, or (3) using outside consultants (usually at a higher rate than that of the previously laid-off workers) (Ket de Vries, 1997).

**Communication.** Effective (open and honest) communication is one of the most critical elements an organization undergoing a reduction in the workforce should consider. It is the general consensus of experts that once the decision has been made to downsize, the very next step should be to inform the employees immediately of the company's decision to lay off workers. Announcing this to the employees as soon as possible minimizes the chances of their hearing about it through the news media outlets first. Nelson (1997) emphasized that companies must avoid allowing employees to read cooperate news in the newspaper before hearing it from management.

Management honesty will strengthen the employer/employee relationship (Dubal, 1997). Establishing trust throughout the downsizing effort and maintaining it afterwards is very important, especially since the survivors will inevitably

contribute to the ultimate success or possibly the failure of the company. Workers hearing of impending layoffs through the media are likely to develop some leeringness of potential future employer actions. Successful downsizing efforts at both Northeastern Savings Bank and Specialty Pulp Manufacturing were credited to communicating throughout the process (Bassi, 1997).

Workers who will be laid off should be notified as soon as possible. Similarly, assurance of job security should be given to the remaining workers. This will provide some stability and allow the survivors to concentrate on the new undertakings of the company instead of wondering if they will be the next ones to get "axed" (Kets de Vries, 1997). Management's disseminating information quickly and always keeping the employees up to date will make it harder for rumors to flourish. Some vehicles used successfully by companies to keep their employees informed include: (1) reporting results monthly, (2) conducting question and answer sessions with senior management, and (3) initiating a weekly newsletter.

**Humane Treatment.** Both victims and survivors suffer from a sense of loss of co-workers, either because they are being laid-off themselves, or because colleagues are being laid off. Both groups have to start a new life that does not include the falsely perceived security that previously governed their working identities (Kets de Vries, 1997).

A company might be viewed as a "symbolic family", considering the amount of time employees spend at work with their co-workers. Therefore, it comes as no surprise that survivors closely observe how the victims are treated during the downsizing activity. Perhaps survivors are concerned about the welfare of the victims and/or they believe that this is an example of how they might be treated under similar circumstances. There is evidence that if a company treats its displaced workers humanely during layoffs (ex: providing outplacement consulting, psychological and career counseling, and actively trying to help employees find new

jobs), the company and its remaining employees will more readily adjust to the cuts (Bassi, 1997).

In addition to making sure individuals were aware of their available options, such as outplacement programs and enhanced early retirements plans, Phillips Petroleum Co. (PPC) also provided trained counselors for those who were experiencing emotional strains in dealing with the transition (Brown, 1990). However, the assistance did not stop here. Once PPC realized that the number one worker anxiety came from their anticipation of not being able to pay the house note, the company developed programs that helped the workers with their houses, such as home sales assistance and a home sales loss protection program (Brown, 1990).

**Worker Involvement.** People are more receptive to change if they actively participate in the decision-making process. Therefore, employees should be included as early as possible in defining how the organization operates in its new (downsized) condition. This can be accomplished by forming teams to address various aspects of the strategic plan. This fosters a sense of belonging to the organization, commitment to its ideals, and ownership for having contributed to the decisions taken. In other words, progress made would slowly regress unless the individuals who are affected by the decisions are allowed to participate in redefining work, and unless human resource strategies are aligned with the corporate goals and visions (Stewart, 1993).

One method for accomplishing employee involvement is the formation of redesign teams comprised of members from various departments and levels within the organization. This participative approach will create a sense of control and raise morale (or at least maintain it) (Brown, 1990). The employees who are not selected to be on a process redesign or implementation team should be encouraged to pass along their ideas and suggestions to the team members. This affords everyone the opportunity to contribute to the decisions that are redefining the organization.

**Identify Key People.** Some companies view downsizing simply as a way to reduce costs. They tend to forget that the most important resource and best competitive advantage of an organization is its

intellectual property, and downsizing reduces this advantage (Peak, 1996).

The usual downsizing methods (across-the-board cuts, attrition, and voluntary reduction, to name a few) may be implemented without giving full consideration to the possible negative effects on the company. Relying on voluntary separation can undermine the goals (cutting costs) behind downsizing efforts because the company's most talented workers may be enticed to take the buyout and confidently seek employment elsewhere (*Management Today*, 1997). The same problem exists with offering early retirement. The most knowledgeable and experienced individuals may choose this opportunity to leave the company. In either case, the mediocre workers are left to help the company meet its future goals.

Another disadvantage that results from the methods commonly used to reduce the workforce is organizational memory loss. Organizational memory can be defined as "...a company's experiences and organization-specific knowledge, including information about a company's individual culture, management, communications and decision-making style, as well as the detail of job-related events" (Kransdorf, 1997). Every time an individual leaves a company, some of the company's organization memory is lost. Therefore, the appropriate steps should be taken to make sure that key people who possess a wealth of organizational memory are retained. Before initiating downsizing, the most talented people should be "...identified, developed, placed in key leadership positions and empowered with the appropriate authority and responsibility" (Hitt, 1994). In other words, the company must take the necessary steps to ensure the skills required for the success of the firm remain after downsizing (Evans, 1996).

**Redesign Work.** In many instances, downsizing has greatly reduced the workforce, yet the workload remains unchanged. This can leave the survivors overwhelmed due to the fact that they are assuming additional responsibilities in areas for which they are not adequately prepared. Therefore, the work tasks, roles, and responsibilities all should be clearly redefined immediately. Tasks that have been deemed non-essential should be eliminated, or at least advertised as being on the bottom of the priority list. By understanding their new roles,

responsibilities, and organizational structures, the employees will have more confidence in how they fit within the new organization's future plans. Explaining the changes that have and will occur, addressing new assignments, and discussing career paths will help stifle or eliminate some of the rumors and speculation that are undoubtedly running rampant (Dubal, 1997).

**Retrain Survivors.** Survivors should be given tools that will help them perform their tasks more efficiently. This would include providing workers with the necessary hardware, software, education, and training required to accomplish the job at hand. Also, mentoring and on-the-job-training should be offered as a means to improve current skills and to meet future needs (Dubal, 1997). Training should be continuous and focused on providing and enhancing skills essential to maintaining and improving core competencies, which are organizational skills the firm depends upon for its survival (Hitt, 1997).

By providing the opportunity for the employees to develop and enhance their abilities, management is demonstrating that it not only values the workers but also has confidence in the firm's future. The knowledge of what is expected of the employees by all of the parties involved allows employees to seek out both the formal training and "hands-on" knowledge that can maximize their performance.

**Rewards and Recognition.** As noted above, in the wake of downsizing and the redesign of the remaining work, it is almost inevitable that survivors will have to enhance their current skills and learn new ones. A competent reward system must be put in place to reward survivors' efforts toward this end. One company linked employees' individual development plans with a skill-based compensation program to reward them for developing new skills and competencies (Bassi, 1997). This reward technique is supported by a survey (*Training & Development*, 1993) of 1,000 U.S. corporations which found that organizations that linked career development initiatives with business objectives gained the most benefit (Dubal, 1997).

**Continuous Improvement.** Increasing competition and technological advances help create rapidly changing corporate environments. In order to

successfully implement these ongoing changes, companies should establish a continuous improvement plan. After downsizing has been completed, continuous improvement should be a prominent part of the post implementation phase. Methods for evaluation and feedback should be established to monitor the effectiveness of the changes. The feedback not only provides information that helps the company identify areas that are not performing as expected, it also gives input as to what needs to be done to get closer to the downsizing's original objectives (Cadorette, 1997). According to Hitt (1994), "rightsizing is a proactive, continuous process of configuring the organization to function effectively in the present, and being prepared to do so in the future.

### **NINE POINT MODEL FOR DOWNSIZING**

The circumstances that lead to reducing the workforce might vary from company to company but there appear to be certain essential actions which, if carried out, increase the probability that those laid off, those who survive, and the organization as a whole will all emerge from the process in the best condition possible. Based upon the foregoing review of the literature, a model (Exhibit 1) was generated to summarize the steps necessary to minimize the negative effects of downsizing and to increase the odds of a smoother transition for all involved.

#### **Case: Downsizing At A Leading Manufacturer Of Imaging Products**

The company described in this case study is a worldwide leader in the manufacture of imaging products. While its organizational structure is broken into many diverse groups, this case study focuses on the approach, or rather the lack of approach, that the Advanced Remote Imaging Systems (ARIS) group used to downsize its organization, as experienced by an employee.

The ARIS group is divided into Commercial Markets & Systems, Lens Imaging Systems (LIS), and Imaging Products & Systems. The LIS group designs, builds and supports one-of-a-kind optical and electro-optical imaging systems for orbital, airborne and ground-based remote sensing, space imaging and laser

Exhibit 1: NINE POINT MODEL FOR DOWNSIZING

ESSENTIAL ACTIONS FOR DOWNSIZING	BEFORE DOWNSIZING	DURING DOWNSIZING	AFTER DOWNSIZING	ONGOING ACTIVITIES
<b>STRATEGIC PLAN</b> Map Process Step-By-Step Analysis Identify Strengths & Weakness Set Policies & Procedures Outplacement Internal Staffing Align HR Strategies with Strategic Plan				
<b>COMMUNICATION</b> Open & Honest Strategic Plan Roles & Responsibilities Disseminate Info Quickly				
<b>HUMANE TREATMENT</b> Professional Counseling Interviews Training Resume Writing Interviewing Techniques Home Sells Assistance				
<b>WORKER INVOLVEMENT</b> Strategic Plan Work Redesign Continuous Improvement				
<b>IDENTIFY KEY PERSONNEL</b> Empower Maintain Core Competencies Protect Corporate Memory Protect from Layoffs Place in Key Positions				
<b>REDESIGN WORK</b> Eliminate Obsolete Tasks Define Roles & Responsibilities Provide Equipment to Improve Efficiency (Computers, Software, etc.)				
<b>RETRAIN SURVIVORS/PERSONAL DEV.</b> Skills for Core Competencies Skills for Newly Assigned Tasks Enhance Current Skills				
<b>REWARDS &amp; RECOGNITION</b> Outstanding Performance Performance that Makes a Difference Career Development Learning Skills Critical to Core Competencies				
<b>CONTINUOUS IMPROVEMENT</b> Install Performance Measures Monitor Effectiveness of Change Re-evaluate & Update Strategic Plan				

communications applications. During the period of this case study, two major space-borne remote sensing contracts were approaching completion. At the same time the company, as a whole, was

adversely impacted by both the strong dollar and intense competition from Asian markets.

Prior to September 18, 1997 the company's management stated that it hoped that downsizing would not be necessary. However, work forecasts

showed a significant drop in workload, and most employees thought that a reduction was inevitable. The following excerpts of e-mail correspondence between an engineer and the functional manager on September 18th indicated that the worst was expected.

The engineer wrote: I am now assigned offsite working long hours. I have neither the time nor the capability to access the on-line job postings within the company to look for other jobs back at headquarters while I am working here on the West Coast. There may be no work for me at home when I finish here. You do not respond when I write to you. Are things THAT bad?!

The manager replied: Everyone is busy today. The current workload is starting to fall off and by October we will need to bring in some new work. My personal opinion is that it will be difficult to bring in enough work for everyone in the October to December time frame. I have started looking for work for people outside of LIS...

Also on September 18th, the following information was divulged at the Manager of Engineering's staff meeting: (1) there is a high probability the ARIS will be downsized (estimated 200 people), (2) ranking has not been accomplished, and (3) information as to how ranking would be performed is not known. The employees were left wondering: Is there a strategic plan? Has a skill set been defined for the post downsizing organization? It was hard to have confidence in the future of the group. One employee's sentiments were revealed through an e-mail on September 23rd to a co-worker:

I really am hoping that I make it past the layoffs and that LIS does not disappear.... I know what you mean about not knowing whether you're at risk. Sometimes I think I shouldn't worry - I do very well on performance appraisals...but who really knows? I really never thought I'd have to go through a scare like this, pretty naïve huh? Work drags by slowly lately.

Shortly after the disclosure of this reduction in workforce information, on September 23rd, all members of the ARIS group were asked to submit short biographies. It was explained that management would use these to try to find positions for those working on programs nearing completion. It turned out, however, that the people who found other work did so themselves. On the same day that the workers were asked for their biographies, an engineer sent the following e-mail message to a co-worker:

I should have left my current position before I did all the cross-country travel. Looks like my reward will be to get canned. Am having a hard time not HEATING it here!

Co-worker response:

I'm starting to feel pretty disposable too. Get this: In one of the electrical design groups, the rumor is that they have to get rid of 1/3 to 2/3 of the people. Doesn't that give you a warm, comfortable feeling?

On September 29, 1997 the Group Vice President issued a letter stating that 10-15% of ARIS would be cut, and that the cuts would not be across-the-board. In the same letter he stated that they were still reviewing what skill mixes were needed to support a successful future, and that he expected that this would be 'completed' by mid-November. Once again the employees were left feeling that management had no plan. It was felt that if such a plan existed, management would already know what skill mixes were required, and it would be a straightforward decision as to what skill sets could be eliminated. Furthermore, no one knew what 'completed' really meant.

On October 16th, the Group Vice President issued a letter stating that they had assessed the skill mixes required and that cuts would be made. However, the employees remained confused as to what skill mixes were valued and which ones were at risk because management did not reveal it to them. Next, the business operations manager called a mandatory meeting for project and functional managers for the next day (October 17th). As the ranking had been completed in such a short time, employees had difficulty having faith in their fairness. People were starting to feel that their rankings and chances of being laid off would be random, rather than by a well-thought-out process based on skills and performance.

Human resources presented the ranking process, criteria, and timeline on October 17th. It became apparent that the ranking was being done by people other than the project managers for whom the engineers actually worked. The events leading up to this point prompted the following e-mail from an engineer:

I am wondering how in the world HR rationalizes the ranking of individuals working on projects by anyone other than their project managers.

This does not sit well with people like me who sacrificed half of their summer to work extreme hours under difficult conditions to maintain schedule and quality. Having project-dedicated engineers ranked by someone other than their project managers seems arbitrary and desultory at best.

Anyway, I am extremely interested in the rationale behind having project dedicated engineers ranked by someone other

than their PMI. I am also interested in the reasoning behind the apparent hesitance on the part of upper management to divulge details of the skill sets that they consider to fit within the strategic plan of our business.

Without warning, on October 20th, 10% of middle management was cut. On the following day, October 21st, the Group Vice President issued a letter stating that the selection process started yesterday (October 20th). Voluntary retirement was offered. Employees were given until November 3rd to make a decision (less than two weeks).

On November 17th the Manager of New Business issued a very poorly written letter telling the group that today is the day for layoffs. On November 25th the Group Vice President issued a letter stating the first phase was complete. Fifteen percent of the employees were laid off. After all the packets are handed out, many people were left crying in the halls and consoling one another. Many of those laid off had sacrificed months away from home to complete the work on the two projects.

On December 19th the local newspaper issued a front page article titled "The Company Job Cuts Climb to 19,900." This was almost double the original estimate management announced. Furthermore, to add insult to injury, most employees learned of this increased number of job cuts from the headline, not through internal communication. There was a strong sentiment that decisions were being made and published without any consideration for the employees. Furthermore, the community as a whole was displeased with the handling of the announcement of increased layoffs through the newspaper. In a newspaper interview, the town's mayor said, "The fact that this company could essentially double the number of people being laid off without directly contacting the community's leadership - except by press release - is inappropriate." He continued, "the latest cuts heighten our apprehensions and lessen the community's confidence that the company will make a quick recovery."

#### **Analysis**

**Strategic Plan.** According to the model, the first step should have been to map all of the company's processes. Next, using the information obtained from the mapping process, the model indicates a strategic plan should have been developed which

encompassed policies and procedures, outplacement and internal staffing. The absence of a strategic plan was evident when management announced that there was a high probability that downsizing would occur, yet no ranking had been done, nor was information available on how the employees would be ranked or what skills would be retained.

**Communication.** The model says communication should start before downsizing begins and continue after downsizing has been completed. Obviously, there was little or no effective communication present in this case. Management was saying they hoped downsizing would not be necessary. However, forecasts indicated a decline in the workload, which led the employees to believe that reductions in the workforce were unavoidable. Thus, the workers were left to speculate about their futures and decipher rumors.

Information should be disseminated quickly. Almost a month after announcing that information on ranking was not known, the Group Vice President indicated that cuts would be made and the skill mixes required had been assessed. Yet a month after that, the workers remained in a confused state because they still had not been told what skill mixes were required.

Finally, the Imaging Company employees learned of the severity of the layoffs from the newspaper. The article revealed that 19,000 jobs were cut, which was almost twice the original estimate given by management. Company news should always be communicated internally first.

**Humane Treatment.** On a positive note, the Imaging Company did place some of its workers in other jobs. Yet this may have been a case of "too little, too late," since many people were left crying in the halls and consoling one another after being notified that they had been laid off. Many of these individuals at the Imaging Company had sacrificed months away from home to complete the projects. For their loyalty, hard work, and dedication they were rewarded with a "pink slip". This is a definite red flag for the survivors. Perhaps they should seek employment elsewhere, before they too are victimized by the company. This is definitely not humane treatment of the displaced.

Victims need help coping with the psychological strains of being laid off while the survivors need help dealing with the stress remaining after co-

workers have lost their jobs, adjusting to a new organizational environment, and performing new and unfamiliar tasks. The psychological effects of downsizing on both the victims and survivors cannot be forgotten or mishandled. Humane treatment would be appreciated by those laid-off and closely observed by the remaining workers. It would also renew the survivors' confidence in the company because the survivors know that there always exists the possibility that one day they might be the victims of the layoffs.

**Worker Involvement.** According to the downsizing model, employee involvement should start before downsizing is implemented. The Imaging Company did not involve the employees in any of the decision-making exercises. The employees were forced to take a wait-and-see approach. They were at the mercy of the company. Workers would be more accepting of change if they help define the change. They could have been involved in determining the skill mixes and redefining the remaining work.

**Identifying Key People.** In the Imaging Company case the criteria for retention/skill mix requirements were never revealed. However, since this evaluation was accomplished in a hurried manner, it is doubtful that a deliberate analysis was done to make sure key skills would be covered after the downsizing was complete.

**Redesign Work.** There is no mention of redesign of the workload for the survivors. However, at the Imaging Company it is apparent that survivors will assume the tasks of the displaced workers. The company should reevaluate the workload of each survivor and eliminate tasks that are obsolete or duplicitous. If the workload is not redesigned, the survivors will likely be overwhelmed, overworked, and highly stressed with the additional tasks.

**Retrain Survivors.** The Imaging Company simply distributed the work assignments of the laid off individuals to the remaining workers. The survivors may feel incapable of assuming the new tasks. By being sure to equip the workers with the tools (training) to do the job, a smoother transition would result.

**Rewards & Recognition.** Many of the Imaging Company's employees sacrificed months away from their families in order to meet project deadlines. The reward for their loyalty to the company was a "boot out the door". This sent the message that the company did not appreciate the sacrifices the workers made. Laying off workers who went the extra mile for the company not only tarnishes the company's image with the victims and survivors but also may damage its ability to recruit promising employees in the future. Performances that make a difference should be rewarded or recognized. Something as simple as saying "you did a great job" or "thank you for your effort" would mean a lot if done with sincerity.

**Continuous Improvement.** Now that the layoffs have been completed, a plan for continuous improvement should be installed. Performance measures should be developed to evaluate the effectiveness of recent changes, and determine if the goals for downsizing or restructuring have been met. The company's strategic plan should be re-evaluated and updated periodically. The company should seek ways to improve its core competencies. This would help it identify processes that might become obsolete in the near future and the new processes that might replace the soon-to-be outdated ones. By looking to the future the company can begin to prepare its current workforce (through training) for the new tasks instead of replacing existing workers with new workers who possess the required skills.

### Conclusions

Following the "Nine Point Model for Downsizing" forces a company to re-examine its decision to downsize in the first place. This self-examination is critical because companies that downsize are quite likely to do it again the following year, and a vicious cycle develops. They see downsizing as an on-going quick remedy for excessive costs. However, this proves to be a shortsighted strategy. It is like dumping sand ballast from a hot air balloon with a leak. You can only lighten the load so much. At that point, you must either fix the leak or go down. So it is with organizations. Organizations are made up of valuable human resources. Management can only cut out so many people before the organization either solves the underlying problems that cause it



to be non-competitive, or ceases to be a viable entity.

Downsizing: is there a right way? That question is probably still not fully resolved. However, leading theorists and practitioners have provided a number of specific guidelines for approaching downsizing, as represented in the "Nine Point Model for Downsizing". It is postulated that if companies contemplating downsizing would consider the factors presented in the model, they could emerge from the experience in much better shape than the majority of downsizing examples reported upon in the literature. The Imaging Company Case seems to represent the norm, wherein companies take little heed of the factors in the Nine Point Model and undergo a very negative downsizing experience as a result.

Further research is necessary to determine if indeed the proffered model is a complete and valid method for successfully navigating the difficult downsizing dilemma. For now, the "right" way to downsize seems to be to use a common sense approach as identified in the model. Formulate and follow a carefully thought-out strategic plan. Treat people the way they want to be treated...communicate everything, involve the workers in the decision making process (especially the decisions that directly affect them), provide assistance to the displaced, reward and recognize the workers for their efforts, and ensure that the survivors have the skills necessary to be successful in the downsized organization.

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#### The Authors

**Donald D. Tippet** is a member of the Engineering Management Faculty at The University of Alabama in Huntsville where he holds the rank of Associate Professor. His previous experience includes ten years' active duty as a carrier-based naval aviator with the U.S. Navy. Subsequently, he held a project management position in materials management information systems with Union

Carbide Corporation and, most recently, served as Program Manager, Advanced Technology with Newport News Shipbuilding, working the area of computer integrated manufacturing. Dr. Tippet holds Master and Doctor of Engineering Degrees in Industrial Engineering from Texas A&M University, and a Bachelor's Degree in Mechanical Engineering from the U.S. Naval Academy.

**Rhonda Childress** is a senior design engineer at the Marshall Space Flight Center in Huntsville, Alabama. She has worked in the space industry for thirteen years. Ms. Childress received her B.S. in Mechanical Engineering from the University of Alabama in Huntsville, and is completing her M.S. in Engineering Management at UAH.

**Melissa G. Sweitzer, PE.** is Principal Mechanical Engineer and Program Manager at the World Headquarters of ENI in Rochester, NY. Before joining ENI, she spent three years working with a TRW subcontractor where she was responsible for the design and implementation of the thermal control system of NASA's AXAF (Advanced X-ray Astrophysics Facility) Telescope which is scheduled to launch in December 1998. Her previous experience includes 10 years with the Lockheed-Martin Corporation (previously General Electric Aerospace, and Martin Marietta Corporation). Ms. Sweitzer holds a B.S. in Mechanical Engineering from Clarkson University, an M.S. in Mechanical Engineering from Syracuse University and an M.S. in Engineering Management from the National Technological University.